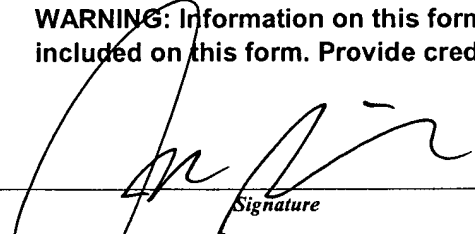
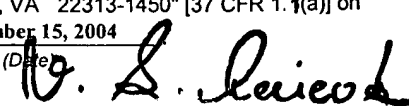
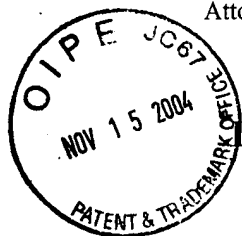


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CP21303 (703) 3063338  
AF/3625

TRANSMITTAL OF APPEAL BRIEF (Small Entity)					Docket No. 98-120	
In Re Application Of: JAY S. WALKER et al.						
Application No. 09/348,566	Filing Date July 7, 1999	Examiner ZURITA, JAMES H.	Customer No. 22927	Group Art Unit 3625	Confirmation No. 5411	
Invention: <b>SETTLEMENT SYSTEMS AND METHODS WHEREIN A BUYER TAKES POSSESSION AT A RETAILER OF A PRODUCT PURCHASED USING A COMMUNICATION NETWORK</b>						
<p style="text-align: center;"><u>COMMISSIONER FOR PATENTS:</u></p> <p>Transmitted herewith <del>in triplicate</del> is the Appeal Brief in this application, with respect to the Notice of Appeal filed on: September 17, 2004</p> <p><input checked="" type="checkbox"/> Applicant claims small entity status. See 37 CFR 1.27</p> <p>The fee for filing this Appeal Brief is: \$170.00</p> <p><input type="checkbox"/> A check in the amount of the fee is enclosed.</p> <p><input checked="" type="checkbox"/> The Director has already been authorized to charge fees in this application to a Deposit Account.</p> <p><input checked="" type="checkbox"/> The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 50-0271</p> <p><input type="checkbox"/> Payment by credit card. Form PTO-2038 is attached.</p> <p><b>WARNING:</b> Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.</p> <div style="display: flex; justify-content: space-between;"><div> _____ Signature <b>Jason A. Skinder</b> Attorney for Applicants PTO Registration No. 47,094 Walker Digital, LLC 203.461.7017/phone 203.461.7300/fax  JSkinder@WalkerDigital.com</div><div>Dated: November 15, 2004</div></div>						
CC:			I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as <del>exp</del> ress mail in an envelope addressed to "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.1(a)] on November 15, 2004 (Date)			
						
			Signature of Person Mailing Correspondence Veronika S. Leliever			
			Typed or Printed Name of Person Mailing Correspondence			



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: Jay S. Walker, Jonathan )  
Otto, Andrew Van ) Group Art Unit: 3625  
Luchene, Magdalena Mik, )  
Daniele E. Tedesco, and ) Examiner: ZURITA, James H.  
Ian Levitan )  
Application No.: 09/348,566 ) **APPEAL BRIEF**  
Filed: July 7, 1999 ) Attorney Docket No. 98-120  
For: SETTLEMENT SYSTEMS )  
AND METHODS WHEREIN A )  
BUYER TAKES POSSESSION )  
AT A RETAILER OF A )  
PRODUCT PURCHASED )  
USING A COMMUNICATION )  
NETWORK )

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed June 15, 2004, rejecting Claims **1-24, 26-91 and 95-102**.

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**REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital, LLC, Five High Ridge Park, Stamford, CT 06905.

## **RELATED APPEALS AND INTERFERENCES**

Appellants, Appellants' legal representative and Appellants' assignee know of no interferences or appeals that will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

## **STATUS OF CLAIMS**

Claims **1-24, 26-91 and 95-102** are rejected and are being appealed.

Claims **25, and 92-94** are cancelled.



## **STATUS OF AMENDMENTS**

No Amendments were filed subsequent to the final rejection of Claims **1-24, 26-91 and 95-102** in the Final Office Action mailed June 15, 2004.

## SUMMARY OF CLAIMED SUBJECT MATTER

Concise explanations of the independent claims are provided below. The summaries include sufficient information about the claimed subject matter so that an informed review of the Examiner's adverse determination of patentability can be made.

As required by 37 C.F.R. § 41.37(c)(1)(v), reference is made to the Specification. Any such reference:

- (i) is by way of example of the claimed subject matter only;
- (ii) is to be considered as potentially useful in clarifying the particular subject matter of the particular independent claim being explained (and not other claims or "the invention" as a whole), unless explicitly stated otherwise; and
- (iii) is not to be considered as broadening or narrowing the scope of any recited term from its meaning to one of ordinary skill in the art, unless explicitly stated otherwise.

Claims **1, 62, 85, 87-91, 95 and 101-102** are independent.

### **1. Independent Claim 1**

Independent Claim 1 recites a method that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 1 provides for *arranging through a communication network for a buyer to purchase a product from a seller at a first price, and take possession of the product at a retailer that offers the*

*product for sale at a second price, wherein the retailer is not the seller.* For some examples of purchasing a product at a first price and taking possession of the product at a retailer that offers the product for sale at a second price, see Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*Payment is received from the buyer of an amount based on the first price.* For some general discussion of pricing based on a first price, see Specification, page 10, line 25 to page 11, line 14.

*Arrangement is made for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.* For examples of settlement prices, see Specification, page 21, lines 1 to 9.

## **2. Independent Claim 62**

Independent Claim **62** recites a method that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim **62** provides for *receiving, from a buyer through a communication network, information about a product to be purchased from a seller at a first price.* For some examples of product information to be purchased at a first price, see Specification, page 11, line 9 to 14.

*Payment based on the first price is received from the buyer.* For some examples of receiving a payment based on a first price, see Specification, page 9, lines 14 to 25; page 50, line 24 to page 51, line 10; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42); FIG. 25 (2506).

*Arrangement is made for the buyer to take possession of the product at a retailer-that offers the product for sale at a second price.* For some examples of taking possession at a retailer offering the product for sale at a second price see Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*The retailer is sent verification information enabling the retailer to authorize the buyer to take possession of the product.* An example of verification information can be found in the Specification at page 9, line 25 to page 12, line 5.

*Arranging is made for the retailer to receive payment of a settlement price in exchange for providing the product to the buyer.* For examples of settlement prices, see Specification, page 21, lines 1 to 9.

### **3. Independent Claim 85**

Independent Claim 85 recites a method that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 85 provides for *receiving, from a buyer through a communication network, a buyer offer, including information about a product to be purchased, a first price and a payment identifier.* For some examples of product information to be purchased at a first price, see Specification, page 11, line 9 to 14. An Example of a payment identifier can be found in the Specification at page 22, line 24 to line 30.

*A determination whether the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a*

*retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price.* For examples of determination of offer acceptance by evaluation of a first price, a settlement price, a seller price a subsidy amount, a commission amount and a minimum acceptable price, see Specification, page 13 line 27 to page 14 line 29; page 9, lines 1 to 9; FIG. 1A (20, 40, 50, 70).

*Payment is received from the buyer of the first price using the payment identifier.* An Example of a payment identifier can be found in the Specification at page 22, line 24 to line 30.

*A pseudo payment identifier is sent to the buyer.* For examples of a pseudo payment identifier, see Specification, page 12, lines 13 to 30; page 15, lines 1 to 9.

*The pseudo payment identifier is received from the retailer.* For examples of receiving the pseudo payment identifier from the retailer, see Specification, page 12, lines 23 to 30.

*Verification is sent to the retailer authorizing the buyer to take possession of the product.* For examples of verification sent to the retailer, see Specification, page 12, lines 23 to 30.

*Arrangement is made for the retailer to receive payment of the settlement price.* For examples of settlement prices, see Specification, page 21, lines 1 to 9.

#### 4. **Independent Claim 87**

Independent Claim 87 recites an apparatus that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 87 provides for *a processor and a storage device coupled to the processor and storing instructions adapted to be executed by the processor*. For examples of a processor and storage device coupled to the processor, see Specification, page 10, lines 14 to 24; page 17 line 19 to page 18 line 6.

*The instructions adapted to be executed by the processor arrange through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price.* Examples of the claim limitation were provided with respect to Claim 1 and can be found in the Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*Payment of an amount based on the first price is received from the buyer.* For some examples of receiving a payment based on a first price, see Specification, page 9, lines 14 to 25; page 50, line 24 to page 51, line 10; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42); FIG. 25 (2506).

*Arrangement is made for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.* For examples of settlement prices, see Specification, page 21, lines 1 to 9.

## 5. Independent Claim 88

Independent Claim 88 takes advantage of the provisions of 35 USC § 112, ¶6. Independent Claim 88 recites an apparatus that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 88 provides for *means for arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price.* Such means may include, for example, the purchasing system device described in the Specification beginning at page 19, line 1, the data storage device described beginning at page 19, line 25 and the program described beginning at page 20, line 5. For additional examples of structures corresponding to means for arranging purchase of a product from a seller at a first price, see Specification, page 10, lines 14 to 24; page 17 line 19 to page 18 line 6; page 13, lines 11 to 23; page 15 lines 1 to 9 and lines 17 to 26; page 16, lines 1 to 12; page 19, line 1 to page 20, line 4; FIG. 3.

*Means for receiving from the buyer a payment of an amount based on the first price.* Such means may include, for example, the purchasing system device described in the Specification beginning at page 19, line 1, the data storage device described beginning at page 19, line 25 and the program described beginning at page 20, line 5. For additional examples of structures corresponding to means for receiving from the buyer a payment of an amount based on the first price, see Specification, page 21, line 29 to page 30, line 5; page 19, line 15 to page 20, line 10; FIG. 3.

*Means for arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.* Such means may include, for example, the purchasing system device described in the Specification beginning at page 19, line 1, the data storage device described beginning at page 19, line 25 and the program described beginning at page 20, line 5. For additional examples of structures corresponding to means for arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer, see Specification, page 19, line 3 to page 20, line 4.

**6. Independent Claim 89**

Independent Claim 89 recites a medium storing instructions adapted to be executed by a processor to perform a method that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 89 provides for *arranging through a communication network for a buyer to purchase a product from a seller at a first price, and take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price.* For some examples of purchasing a product at a first price and taking possession of the product at a retailer that offers the product for sale at a second price, see Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*Receiving a payment from the buyer of an amount based on the first price.* For some general discussion of pricing based on a first price, see Specification, page 10, line 25 to page 11, line 14.



*Arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.* For examples of settlement prices, see Specification, page 21, lines 1 to 9.

**7. Independent Claim 90**

Independent Claim 90 recites a method of using a purchasing system that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 90 provides for *arranging with the purchasing system, through a communication network, to purchase a product from a seller at a first price.* For some examples of arranging with the purchasing system, through a communication network, to purchase a product from a seller at a first price, see Specification, page 11, line 9 to 14. An Example of a payment identifier can be found in the Specification at page 20, line 23 to line 30; FIG. 3.

*Paying an amount based on the first price to the purchasing system.* For example of paying an amount based on the first price to the purchasing system, see Specification, page 21, line 29 to page 30, line 5.

*Receiving redemption information from the purchasing system.* For examples of receiving redemption information from the purchasing system, see Specification, page 12, lines 13 to 22.

*Providing the redemption information to a retailer that offers the product for sale at a second price.* An example of verification information can be found in the Specification at page 9, line 25 to page 12, line 5.

*Taking possession of the product at the retailer.* For examples of taking possession of the product at the retailer, see Specification, page 50, line 29 to page 51, line 3; FIG. 25 (2504).

**8. Independent Claim 91**

Independent Claim 91 recites a method of providing products to buyers using a purchasing system that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 91 provides for *arranging to provide a product in exchange for a settlement price*. For some examples of arranging to provide a product in exchange for a settlement price, see Specification, page 51, line 11 to 23; FIG. 26 (2610).

*Receiving redemption information from a buyer.* For examples of receiving redemption information from a buyer, see Specification, page 12, lines 13 to 22.

*Sending the redemption information to the purchasing system and receiving from the purchasing system a verification authorizing the buyer to take possession of the product.* For examples of sending redemption information to the purchasing system and receiving verification authorizing the buyer to take possession, see Specification, page 12, lines 23 to 30.

*Providing the product to the buyer and receiving payment of the settlement price.* For examples of providing the product to the buyer and receiving payment of the settlement price, see Specification, page 50, line 24 to page 51, line 28; FIG. 25; FIG. 26.

**9. Independent Claim 95**

Independent Claim 95 recites a method of operating a purchasing system that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 95 provides for *arranging through a communication network for a buyer to render payment equal to a first price, through the communication network, to a seller for a product, the product being offered for sale by the seller for the first price*. For some examples of arranging through a communication network for a buyer to render payment equal to a first price, through the communication network, to a seller for a product, the product being offered for sale by the seller for the first price, see Specification, page 9, line 14 to page 10, line 10; FIG. 1A; FIG. 1B; FIG. 1C.

*Arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price*. For some examples of arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price, see Specification, page 9, line 14 to line 25; FIG. 1A.

*Arranging for the retailer to receive payment of a settlement price in exchange for providing the product to the buyer*. For examples of a retailer receiving a settlement price in exchange for providing the product to the buyer, see Specification, page 51, lines 4 to 10; FIG. 25.

**10. Independent Claim 101**

Independent Claim 101 recites a method of operating a purchasing system that allows a buyer to establish a price for a product online with a seller before taking possession of the product at a convenient retailer. Claim 101 provides *arranging through a communication network for a buyer to purchase a product from a seller at a first price, and take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller*. For some examples of purchasing a product at a first price and taking possession of the product at a retailer that offers the product for sale at a second price, see Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*Arranging for the buyer to provide to the retailer a payment of an amount based on the first price and arranging for the retailer to receive payment of an amount based on a difference between the first price and a settlement price in exchange for providing the product to the buyer*. For examples of arranging for the buyer to provide to the retailer a payment of an amount based on the first price and arranging for the retailer to receive payment of an amount based on a difference between the first price and a settlement price in exchange for providing the product to the buyer, see Specification, page 55, line 23 to page 56, line 9.

**11. Independent Claim 102**

Independent Claim 102 recites a method of operating a purchasing system that allows a buyer to establish a price for a product online with a

seller before taking possession of the product at a convenient retailer. Claim 102 provides *arranging through a communication network for a buyer to purchase a product from a seller at a first price, and take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller*. For some examples of purchasing a product at a first price and taking possession of the product at a retailer that offers the product for sale at a second price, see Specification, page 9, lines 14 to 25; FIG. 1A (20, 30, 40, 50); FIG. 1B (22, 32, 42).

*Determining if the second price is less than the first price and if the second price is less than the first price, arranging for the buyer to purchase the product from the seller at no more than the second price*. For examples of determining if the second price is less than the first price and if the second price is less than the first price, arranging for the buyer to purchase the product from the seller at no more than the second price, see Specification, page 55, line 23 to page 56, line 9.

## **GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

Claims **1-24, 26-91 and 95-102** stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,970,469 issued to Scroggie et al. (hereinafter “Scroggie”) in view of U.S. Patent No. 5,845,265 issued to Woolston (hereinafter “Woolston”).

## ARGUMENTS

### 1. Summary of Arguments

First, the Examiner has completely mischaracterized Scroggie to give it a meaning antithetical to its plain meaning. Scroggie is directed towards the free distribution of purchasing incentive offers (coupons) over a network and yet the Examiner contorts the teachings of the reference to assert this free distribution of coupons teaches *purchasing a product from a seller through a network*. No selling whatsoever occurs in the Scroggie system through a network.

Second, even if Scroggie disclosed the teachings asserted by the Examiner, the evidence of record lacks any teaching, suggestion, or motivation to combine the references in the manner suggested by the Examiner to produce the specific features of the claimed invention. In fact, the references of record are non-analogous art, and would provide no motivation to one of ordinary skill to combine the references in the manner suggested by the Examiner.

Third, the references under any reasonable interpretation completely fail to suggest several limitations that are recited in the independent claims. Among other failings, the references completely lack any hint of:

A. *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller* (each of independent Claims **1, 62, 85, 87-91, 95, and 101-102**);

**OR**

*B. arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer (each of independent Claims 1, 62, 85, 87-91, 95, and 101-102);*

**OR**

*C. sending to the retailer verification information enabling the retailer to authorize the buyer to take possession of the product (each of independent Claims 62, 85, and 91);*

**OR**

*D. determining if the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price (independent Claim 85).*

Accordingly, the rejections are inappropriate and Appellants respectfully request that the rejections be reversed.

## **2. Form of Appeal Brief**

In the arguments herein, limitations of the claims are indicated in *italics* and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups of claims, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:



- Fourth Office Action: Final Office Action mailed June 15, 2004 (Paper No. 28);
- Appellants' Third Response: Response to Third Office Action, mailed April 1, 2004 (Paper No. 27).

### 3. Section 103(a) Rejection

Claims **1-24, 26-91 and 95-102** stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,970,469 issued to Scroggie et al. (hereinafter "Scroggie") in view of U.S. Patent No. 5,845,265 issued to Woolston (hereinafter "Woolston").

Claims **1, 22-24, 26-27, 62, 87-91, 95, and 101-102** are argued as a separate group (GROUP I).

Claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100** are argued as a separate group (Group II)

Claims **12-14** are argued as a separate group (Group III)

Claim **85** is argued as a separate group (GROUP IV).

#### 3.1. GROUP I: Claims 1, 22-24, 26-27, 62, 87-91, 95, and 101-102

GROUP I includes Claims **1, 22-24, 26-27, 62, 87-91, 95, and 101-102**. These claims are rejected under Section 103(a) as being unpatentable under Scroggie in view of Woolston. Claims **1, 62, 87-91, 95, and 101-102** are independent.

Claims **22-24, 26-27** are dependent from Claim **1**.

The rejection of GROUP I is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored every element of the limitation *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;*
- the Examiner has ignored the limitation *arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer;*
- no substantial evidence that such features were known has been provided;
- the Examiner has relied on what was allegedly “well known” but is unsupported by the record.
- The Examiner has failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested.

All of the independent claims in GROUP I (Claims **1, 62, 87-91, 95, and 101-102**) generally contain the following limitations:

*arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;*

*receiving from the buyer a payment of an amount based on the first price*

*arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer*

### **3.1.1 No Prima Facie Showing of Obviousness of the Claims of GROUP I**

A reading of the rejections of the claim of GROUP I reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP I.

### **3.1.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. In re Fritch, 23 U.S.P.Q.2D 1780, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under Section 103, an examiner must show an un rebutted *prima facie* case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. In re Rouffet. The secondary considerations are also essential components of the obviousness determination. In re Rouffet.

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the prima facie burden only by showing some objective teaching leading to the purported combination of references. In re Fritch. Lacking a motivation to combine references, there is no prima facie case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. In re Hyatt, 54 U.S.P.Q.2D 1664, 211 F.3d 1367 (Fed. Cir. 2000). The "PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant's specification." In re Morris, 44 U.S.P.Q.2D 1023, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

### **3.1.3 Substantial evidence is required of all factual findings**

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 59 U.S.P.Q.2D 1693, 258 F.3d 1379, 1385 (Fed. Cir. 2001); In re Lee, 61 U.S.P.Q.2D 1430, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

### **3.1.4 Absent substantial evidence, no prima facie case exists**

To reject claims in an application under Section 103, an examiner must show an unrebutted prima facie case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a prima facie case of obviousness is upon the examiner. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a prima facie case, the rejection is improper and will be overturned. In re Rijckaert, 28 U.S.P.Q.2D 1955, 9 F.3d 1531, 1532 (Fed. Cir. 1993); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the

patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

**3.1.5 No substantial evidence of arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller**

Examiner's Factual Findings

The Examiner asserts that “buyers may order and purchase products from a seller over a communication network at a first price” is taught by Scroggie and cites Fig. 14 as an example. [Fourth Office Action, page 2]. Fig. 14 is described in the reference as “a simplified block diagram depicting another aspect of the invention, in which customer ID information volunteered by on-line customer is used to generate more focused purchased incentives to be transmitted to customer....” [Scroggie, Col. 5, lines 34-38].

The invention may be further enhanced by employing individual purchase histories of individual customers, as depicted in FIG. 14. The shopping behavior of customers is routinely tracked in connection with the generation of in-store incentives in the form of discount coupons printed as the customer pays for his or her purchases, as shown in blocks 400 and 402. Each customer's purchasing behavior is tracked only if the customer provides some form of unique identification during the purchase transactions, such as a check-cashing card, a credit card, a magnetically encoded check, or other form of identification. The purchase of any of a number of selected items can then be associated with a specific customer id., as indicated in block 404, and a system administrator maintains a database of

customer purchase histories, as indicated in block 406. When the customer visits the store, a focused incentive may be printed based on a selected event in the customer's past shopping behavior, as indicated in block 408. In accordance with this aspect of the present invention, a customer who has logged in to the system (block 410) is asked to supply the customer id. used for in-store purchases (block 412). The customer id. may be a check-cashing card number, or other form of identification that allows the system to access the customer's purchasing history, and then select a purchasing incentive based on some aspect of the customer's prior shopping history, as indicated in block 414. This incentive is transmitted to the customer, as indicated in block 416, in the form of an Internet message, for retrieval when the customer next accesses the Web site or checks for electronic mail (E-mail). The incentive message informs the customer that one or more specific offers are available and may be received at the checkout stand when the prerequisite products are purchased. Alternatively, a paper coupon may be transmitted to the customer's computer site and printed for later presentation in the store.

[Scroggie, Col. 12, lines 8-42](emphasis added).

Continuing, the Examiner asserts that Scroggie teaches that “[b]uyers may take possession of the products at the retailer, different from the seller” and cites Column 1, lines 35-65 for this proposition [Fourth Office Action, page 2]. As best understood by Appellants, the Examiner is looking at the following portions as examples of “references to buyers designating specific retailers for taking possession of the products” [Id.]:

Importantly, the incentives are distributed in such a way that they may be redeemed only at a specific retailer selected by each customer.  
Col. 1, lines 41-43

...transmitting back to the registered customer a plurality of incentive offers, the incentive offers being exercisable in the customer's geographic region.... Col. 1, lines 49-52

In response to the customer selection data, the method performs the steps of generating a purchasing incentive containing (in encoded form) the identity of the retailer designated by the customer and the identity of the customer.... Col. 1, lines 56-59.

Further, the Examiner asserts Scroggie teaches a “retailer may offer the product for sale at a second price, since retailers offer selected incentives” and cited Col. 3, lines 13-39 as an example. [Fourth Office Action, page 2]. Appellants have repeatedly read the reference, including the portion cited by the Examiner, and have found no hint of the teaching asserted by the Examiner.

Confusingly, the Examiner also admits that Scroggie fails to teach a “seller.” [Fourth Office Action, page 7]. The Examiner confuses the record by providing the following basis for finding that Scroggie teaches “sellers” in the Fourth Office Action: “Scroggie discloses a number of entities in commerce, including manufacturers, and various types of retailers. Manufacturers may offer their products for sale to customers. See, for example, at least Col. 3, lines 40-62.” [Fourth Office Action, page 7].

The Examiner has not even hinted that Woolston teaches or suggests this limitation.

#### No Substantial Evidence Has Been Provided

Even a cursory reading of the section of the reference cited by the Examiner shows that the reference teaches “[a] system and method for delivering purchasing incentives.” [Scroggie, Abstract, line 1](Emphasis added). There is nothing in the evidence of record that even hints at *purchasing over a communication network a product from a seller at a first*



*price and taking possession of the product from a party that is not the seller, and that offers the product for sale at a second price.*

Effectively, the Examiner has inappropriately attempted (and failed) to demonstrate that individual elements of the limitation are present in Scroggie and fails to address the limitation in its entirety. As will be shown, Scroggie fails to teach the piecemeal elements as asserted by the Examiner as well as the limitation as a whole.

**A. No evidence of arranging through a communication network for a buyer to purchase a product from a seller at a first price**

The Examiner asserts that “buyers may order and purchase products from a seller over a communication network at a first price” is taught by Scroggie and cites Fig. 14 as an example. [Fourth Office Action, page 2]. However, Scroggie fails to even hint at *arranging through a communication network for a buyer to purchase a product from a seller at a first price*.

Scroggie is directed to “[a] system and method for delivering purchasing incentives....” [Scroggie, Abstract, line 1]. Appellants have repeatedly read the reference, including the portion cited by the Examiner, and have been unable to find support for the Examiner’s assertion.

The only “purchasing” suggested by Scroggie occurs at a store. In fact, the portion cited by the Examiner, which was quoted in its entirety above, discusses tracking customer in-store purchasing behavior. [Scroggie, Col. 12, lines 31-32.] No purchasing in Scroggie is arranged through a network. Clearly, the broadest reasonable interpretation of the reference cannot support the Examiner’s assertion that Scroggie teaches “buyers may

order and purchase products from a seller over a communication network at a first price.”

Confusingly, the Examiner admits that Scroggie fails to teach a “seller,” yet also implies that “manufacturers, and various types of retailers” teach a “seller.” It is not clear whether or not the Examiner believes Scroggie teaches the recited *seller*.

Regardless, even if, as the Examiner asserts, Scroggie generally suggests “entities in commerce,” Scroggie does not even remotely suggest *a purchase from any “entity in commerce” arranged through a communication network.*” Scroggie cannot support the Examiner’s basis for rejection.

Contrary to what is required, the Examiner has provided no evidence that one of ordinary skill in the art would interpret *arranging through a communication network for a buyer to purchase a product from a seller* as the Examiner has done.

**B. No Evidence of a retailer that is not a seller from whom a buyer purchases the product**

The Examiner asserts that Scroggie teaches “buyers may take possession of the products at a retailer, different from the seller.” [Fourth Office Action, page 2]. Again, the Examiner has erred, as Scroggie fails to even hint at *a retailer that is not a seller*.

Clearly, what the Examiner refers to as a “retailer” in Scroggie is necessarily the only party from whom a product is purchased. Accordingly,

contrary to the Examiner's assertion, there is no "seller" of the product to a customer different from the retailer who provides the product to a customer.

As shown above, Scroggie is directed to delivering purchasing incentives, and is devoid of any teaching or suggestion of a *retailer that is not a seller*, let alone where *possession of the product is taken at the retailer that is not the seller*. In fact, the portion of the reference cited by the Examiner teaches "transmitting back to the registered customer a plurality of incentive offers, the incentive offers being exercisable in the customer's geographic region." [Scroggie, Col. 1, lines 49-52]. This has nothing to do with taking possession of a product from one party (i.e., *retailer*), when the product was purchased from a different party (i.e., *seller*).

Nothing in Scroggie teaches a *retailer that is not a seller* let alone a buyer taking *possession of the product is taken at the retailer that is not the seller*. No reasonable interpretation of the reference can support the Examiner's assertion that Scroggie teaches "[b]uyers may take possession of the products at a retailer, different from the seller."

**C. A retailer that offers the product for sale at a second price does not appear in the reference**

The Examiner asserts that Scroggie teaches a "retailer may offer the product for sale at a second price, since retailers may offer selected incentives." [Fourth Office Action, page 2]. As shown above with respect to Section A, Scroggie fails to teach or suggest *arranging through a communication network for a buyer to purchase a product from a seller at a first price*. As shown above with respect to Section B, Scroggie fails to teach or suggest a *retailer that is not the seller*. Consequently, Scroggie

cannot even suggest *a retailer (that is not the seller) that offers the purchased product for sale at a second price.*

The portion of the reference cited to by the Examiner teaches “means for retrieving incentive offers from the file of incentive offers...means for receiving customer selections made from the incentive offers transmitted to the customer, and for receiving a customer designation of a retailer at which the selected incentives are to be exercised...” Appellants have repeatedly read Scroggie, including the portion cited by the Examiner, and have found no hint that Scroggie even suggests a retailer may offer the product for sale at a second price, since retailers may offer selected incentives” as asserted by the Examiner.

Nothing in Scroggie suggests *a retailer that offers the product for sale at a second price*, much less taking possession from such a retailer of a product purchased from another party (i.e., the seller).

In asserting the “broadest reasonable interpretation,” the Examiner has strayed from what is reasonable. To the extent that the Examiner is relying solely upon Scroggie as teaching a feature of *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller*, the Section 103(a) rejection cannot stand. The Examiner has failed to establish a *prima facie* case of obviousness, and Scroggie cannot support any such rejection. The rejection fails for at least this reason.

**3.1.6 No substantial evidence of arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer**

Examiner's Factual Findings

The Examiner asserts that “settlement payments to retailers via credit card and check cashing cards take place over credit card clearing houses, [sic] well known to one of ordinary skill in the art at the time the invention was made.” [Fourth Office Action, page 3]. The Examiner has not made any reference of record or pointed to any evidence within the record in support of this conclusion.

No Substantial Evidence Has Been Provided

In Appellants' Third Response, Appellants disputed the Examiner's omnibus assertion as to what was “well known” and requested support for what the Examiner asserted was “well known.” [page 18].

Despite Appellants' request, the Examiner in the subsequent Office Action did not provide any support for the asserted view of the prior art. Instead, the Examiner ignored Appellants' request for a reference in support of the Examiner's asserted view of the prior art, and restated the same assertion.

The Examiner has failed to provide any evidence or tangible teachings of reference materials to support what the Examiner asserts to be “well known to one of ordinary skill in that art at the time the invention was made.” [Fourth Office Action, page 3]. “Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials.”

Cardiac Pacemakers, Inc. v St. Jude Medical, Inc., 381 F.3d 1371 (Fed. Cir. 2004).

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265 (Fed. Cir. 1992). Having failed to provide any prior art evidence of the above limitation, the Examiner has failed to make an un rebutted *prima facie* case of obviousness.

Consequently, the rejection is improper and must be overturned. In re Rijckaert, 28 U.S.P.Q.2D 1955, 9 F.3d 1531, 1532 (Fed. Cir. 1993); In re Fine, 5 USPQ2d 1596, 1598, 837 F.2d 1071, 1074 (Fed. Cir. 1988); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8 (D.D.C. 2001).

However, even if the Examiner could point to evidence in the record in support of the assertion that “settlement payments to retailers via credit cards and check cashing cards take place over credit card clearing houses,” the Examiner’s rejection would still fail.

The Examiner has obviously misunderstood the claim limitation by asserting that “settlement payments to retailers via credit cards...[is] well known.” The claim limitation is directed to *arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer*. The *settlement price* is the amount paid to the retailer by the communication network, which is the difference between the *first price* and *second price*. If “settlement payments to retailers via credit cards” was evidence in the record it would not teach or suggest *settlement price* as discussed above. As such, the rejection fails for at least this reason.

**3.1.7 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP I, claims **1, 22, 62, 87-91, 95, and 101-102**, as unpatentable over Scroggie in view of Woolston. However, the Examiner only asserted that Scroggie taught the all of limitations of the independent claims of GROUP I. The Examiner has not asserted that Woolston even hints at any limitation present in the independent claims, specifically, claims **1, 22, 62, 87-91, 95, and 101-102**.

Despite the failure to assert that Woolston teaches **any** limitation of any of the independent claims of GROUP I, the Examiner asserts that

one of ordinary skill in the art at the time the invention was made would have been motivated to combine Scroggie, Woolston and knowledge generally available to one of ordinary skill in the art for the obvious reason that by providing penalties, sellers can assure themselves that they do not bear the burden of a buyer's delays.

[Fourth Office Action, page 3].

The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious. Specifically, none of the independent claims of GROUP I recite “penalties.”

**Applicable Law**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596, 837 F.2d 1071 (Fed.

Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 55 U.S.P.Q.2D 1313, 217 F.3d 1365, 1371 (Fed. Cir. 2000).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 226 U.S.P.Q. 870, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would prima facie have been obvious. Id. The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 42 U.S.P.Q.2D 1378, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 60 U.S.P.Q.2D 1001, 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. Id., at 1352 - 53.

#### No Substantial Evidence of a Motivation to Combine

The Examiner has asserted that

one of ordinary skill in the art at the time the invention was made would have been motivated to combine Scroggie, Woolston and knowledge generally available to one of ordinary skill in the art for the obvious reason that by providing penalties, sellers can assure themselves that they do not bear the burden of a buyer's delays.



[Fourth Office Action, page 3]. However, this limitation (i.e., “providing penalties”) is not present in any of the independent claims of GROUP I.

Even if the limitation was present in any of the claims in question, the Examiner has not provided any evidence of record or shown that the references contain any motivation to one of ordinary skill in the art to combine the references in the manner suggested by the Examiner to provide for the feature of *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller or arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.*

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

### **3.1.8 No showing of a proper motivation to modify the references**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Scroggie and Wollston (which Appellants dispute above), the Examiner has failed to provide substantial evidence of a motivation to modify that combination to provide for the features *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price,*

*wherein the retailer is not the seller or arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.*

As noted above, the Examiner's rationale for combining the references in the manner suggested above would allegedly provide for a limitation that is not even recited in the claims of Group I. For the reasons argued above, the evidence of record fails to provide a motivation to modify the references to provide for *arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller or arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.* The Examiner does not assert otherwise.

Thus the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP I are patentable.

### **3.2 GROUP II: Dependent Claims 2-11, 15-21, 28-61, 63-84, 86, and 96-100**

GROUP II includes Claims 2-11, 15-21, 28-61, 63-84, 86, and 96-100. These claims are rejected under Section 103(a) as being unpatentable under Scroggie in view of Woolston. Claims 2-11, 15-21, 28-61, 63-84, 86, and 96-100 are dependent upon independent claims of GROUP I and are patentable for at least the same reasons argued above.

The rejection of GROUP II is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored the limitations of claims 2-11, 15-21, 28-61, 63-84, 86, and 96-100;
- the Examiner has failed to provide substantial evidence of a motivation to combine or modify the references suggested;
- the Examiner has relied on what was allegedly “well known” but is unsupported by the record.

#### **3.2.1 No Prima Facie Showing of Obviousness of the Claims of GROUP II**

A reading of the rejections of the claim of GROUP II reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP II.

### **3.2.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP II.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.2.3 No substantial evidence of the limitations of claims 2-11, 15-21, 28-61, 63-84, 86, and 96-100**

#### **Examiner's Factual Findings**

The Examiner has made no factual findings with respect to the additional limitations recited in any of **2-2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

In fact, the Examiner has not asserted that either Scroggie or Woolston even hints at any limitation of claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

#### **No Substantial Evidence of the Limitations**

The Examiner has not addressed any limitation of dependent claims **2-2-11, 15-21, 28-61, 63-84, 86, and 96-100**. In fact, the Examiner has not asserted that either Scroggie or Woolston even hints at any limitation of claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

Appellants have repeatedly read both Scroggie and Woolston, and have found no hint that either reference teaches any limitation present in any of claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

To the extent that the Examiner is relying solely upon Scroggie or Woolston as teaching any feature recited in claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**, the Section 103(a) rejection cannot stand. The Examiner has failed to indicate any evidence of such features, much less substantial evidence.

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness, and Scroggie nor Woolston cannot support any such rejection. The rejection fails for at least this reason.

**3.2.4 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP II, claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**, as unpatentable over Scroggie in view of Woolston. However, the Examiner has failed to directly address any limitation of the claims of GROUP II or assert that either Scroggie or Woolston even hint at any limitation of the claims of GROUP II.

The Examiner simply has not even asserted any motivation to modify or combine the references to provide for any specific recited feature, much less a motivation supported in the prior art of record.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP II obvious. The rejection fails for at least this reason.

**3.2.5 No showing of a proper motivation to modify the references**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Scroggie and Woolston

(which Appellants dispute above with respect to Group I), the Examiner has failed to provide substantial evidence of a motivation to modify that combination to provide for any of the specific features of claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

The Examiner's rationale for combining the references (i.e., to provide for penalties) above does not provide for a limitation that is even present in the claims of Group II.

Thus the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP II are patentable.

### **3.3 GROUP III: Dependent Claims 12-14**

GROUP III includes Claims **12-14**. These claims are rejected under Section 103(a) as being unpatentable under Scroggie in view of Woolston. Claims **12-14** are dependent upon independent claims of GROUP I and are patentable for at least the same reasons argued above.

The rejection of GROUP III is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide evidence of record that teaches *penalties*;
- the Examiner has failed to provide substantial evidence of a motivation to combine or modify the references suggested;
- the Examiner has relied on what was allegedly “well known” but is unsupported by the record.

#### **3.3.1 No Prima Facie Showing of Obviousness of the Claims of GROUP III**

A reading of the rejections of the claim of GROUP III reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP III.

### **3.3.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP III.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.3.3 No substantial evidence of the limitations of claims 12-14**

#### **Examiner's Factual Findings**

The Examiner asserts that "Scroggie discloses food recipes." [Fourth Office Action, page 3].

The Examiner also asserts:

Foods are often perishable items, in that they must be consumed before they go bad. Penalties are increased costs to a buyer if he fails to meet certain conditions, for example, failure to pick up perishable food items within a certain period of time. Penalties were well known to those of ordinary skill in the art at the time the invention was made.

[Fourth Office Action, page 3]. The Examiner has not made any reference of record or pointed to any evidence within the record in support of these additional assertions.

Although the Examiner does not clearly direct this statement to any particular claims, Appellants believe the Examiner's assertion to be addressing the limitations of claims **12-14**.



No Substantial Evidence of the Limitations

Appellants agree with the Examiner that Scroggie discloses food recipes.

However, Appellants have repeatedly read both references and have found no evidence of record in support of the Examiner's assertion that Scroggie even hints at "[f]oods are often perishable items, in that they must be consumed before they go bad." As well, Appellants have found no suggestion in Scroggie in support of the Examiner's assertion that Scroggie teaches "[p]enalties are increased costs to a buyer if he fails to meet certain conditions, for example, failure to pick up perishable food items within a certain period of time."

Scroggie's reference to "food recipes" cannot support any such inferences. As such, the Examiner has failed to make an unrebutted *prima facie* case of obviousness. Consequently, the rejection fails for at least this reason.

In Appellants' Third Response, Appellants disputed the Examiner's omnibus assertion as to what was "well known" and requested support for what the Examiner asserted was "well known." [page 18].

Despite Appellants' request, the Examiner in the subsequent Office Action did not provide any support for the asserted view of the prior art. Instead, the Examiner ignored Appellants' request for a reference in support of the Examiner's asserted view of the prior art, and restated the same assertion.

The Examiner has failed to provide tangible teachings of reference materials to support what the Examiner asserts to be "well known to one of

ordinary skill in that art at the time the invention was made.” [Fourth Office Action, page 3]. Merely asserting something is “well known” is not substantial evidence; the rejection fails for at least this reason.

Thus, no evidence (much less substantial evidence) has been provided supporting any of the Examiner’s assertions as to (i) the perishability of food or (ii) penalties to a customer, much less (iii) penalties applied to a customer for failing to pick up food. As such, the Examiner has failed to make an un rebutted *prima facie* case of obviousness. Consequently, the rejection fails for at least these reasons.

### **3.3.4 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP III, claims **12-14**, as unpatentable over Scroggie in view of Woolston. The Examiner stated that one of ordinary skill in the art at the time the invention was made would have been motivated to combine Scroggie, Woolston and knowledge generally available to one of ordinary skill in the art for the obvious reason that by providing penalties, sellers can assure themselves that they do not bear the burden of a buyer’s delays.

[Fourth Office Action, page 3].

No reference is indicated as suggesting the asserted motivation.

### Applicable Law

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 55 U.S.P.Q.2D 1313, 217 F.3d 1365, 1371 (Fed. Cir. 2000).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 226 U.S.P.Q. 870, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would prima facie have been obvious. Id. The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 42 U.S.P.Q.2D 1378, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 60 U.S.P.Q.2D 1001, 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. Id., at 1352 - 53.

### No Substantial Evidence of a Motivation to Combine

As discussed above, the Examiner has not provided any evidence of record or shown that providing a penalty to a customer is even known, much less that such a motivation, if known, would specifically suggest combining Scroggie and / or Woolston in particular.

Further, contrary to the Examiner's assertion that it would be an "obvious reason," the Examiner has been unable to indicate any evidence even hinting at the desirability of sellers being able to "assure themselves that they do not bear the burden of a buyer's delays." Nothing in the references themselves hints at any motivation to one of ordinary skill in the art to combine the references in the manner suggested by the Examiner to provide for a *penalty* feature. The Examiner has not otherwise provided any evidence that such a motivation is within the knowledge generally available to one of ordinary skill in the art.

Thus the Examiner has not shown substantial evidence of a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP III obvious. The rejection fails for at least this reason.

### **3.3.5 No showing of a proper motivation to modify the references**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Scroggie and Woolston (which Appellants dispute above), the Examiner has failed to provide

substantial evidence of a motivation to modify that combination to provide for any of the features of claims **12-14**.

Despite the Examiner's conclusory assertion that it would be an "obvious reason," the Examiner has been unable to indicate any evidence even hinting at the desirability of modifying Scroggie and / or Woolston so that sellers could "assure themselves that they do not bear the burden of a buyer's delays." Nothing in the references themselves hints at any motivation to one of ordinary skill in the art to modify either reference in the manner suggested by the Examiner to provide for a *penalty* feature. The Examiner has not otherwise provided any evidence that such a motivation is within the knowledge generally available to one of ordinary skill in the art.

Thus the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP III obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP III are patentable.

### 3.4. GROUP IV: Independent Claim 85

GROUP IV includes Claim 85. The claims is rejected under Section 103(a) as being unpatentable under Scroggie in view of Woolston. Claim 85 is independent.

The rejection of GROUP IV is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored the limitation *determining if the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price;*
- the Examiner has ignored the limitation *sending a pseudo payment identifier to the buyer;*
- the Examiner has ignored the limitation *receiving the pseudo payment identifier from the retailer;*
- no substantial evidence that such features were known has been provided;
- The Examiner has failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested.

All of the independent claims in GROUP IV (Claim 85) contain the following limitations:

*determining if the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price*

*sending a pseudo payment identifier to the buyer*

*receiving the pseudo payment identifier from the retailer*

#### **3.4.1 No Prima Facie Showing of Obviousness of the Claims of GROUP IV**

A reading of the rejections of the claim of GROUP V reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP IV.

### **3.4.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP IV.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.4.3 No substantial evidence of sending a pseudo payment identifier to the buyer**

#### **Examiner's Factual Findings**

The Examiner has made no factual findings with respect to the limitations of *pseudo payment identifier* or *sending a pseudo payment identifier to the buyer*. In fact, the Examiner has not asserted that either Scroggie or Woolston even hints at any such limitation of claim 85.

#### **No Substantial Evidence of the Limitations**

Appellants have repeatedly read both Scroggie and Woolston, and have found no hint that either reference teaches a *pseudo payment identifier* or *sending a pseudo payment identifier to the buyer*. The Examiner has not provided any evidence of record or cited to any portion of Scroggie or Woolston in support of such an assertion. The Examiner does not assert otherwise.



To the extent that the Examiner is relying solely upon Scroggie or Woolston as teaching *sending a pseudo payment identifier to the buyer*, the Section 103(a) rejection cannot stand. The Examiner has failed to establish a *prima facie* case of obviousness, and Scroggie nor Woolston cannot support any such rejection. The rejection fails for at least this reason.

**3.4.4 No substantial evidence of receiving the pseudo payment identifier from the retailer**

Examiner's Factual Findings

The Examiner has made no factual findings with respect to the limitations of *pseudo payment identifier* or *receiving the pseudo payment identifier from the retailer*. In fact, the Examiner has not asserted that either Scroggie or Woolston even hints at any such limitation of claim 85.

No Substantial Evidence of the Limitations

Appellants have repeatedly read both Scroggie and Woolston, and have found no hint that either reference teaches a *pseudo payment identifier* or *receiving the pseudo payment identifier from the retailer*. The Examiner has not provided any evidence of record or cited to any portion of Scroggie or Woolston in support of such an assertion. The Examiner does not assert otherwise.

To the extent that the Examiner is relying solely upon Scroggie or Woolston as teaching *receiving the pseudo payment identifier from the retailer*, the Section 103(a) rejection cannot stand. The Examiner has failed

to establish a *prima facie* case of obviousness, and Scroggie nor Woolston cannot support any such rejection. The rejection fails for at least this reason.

**3.4.5 No showing of a proper motivation to combine the references**

The Examiner rejected the claim of GROUP V, claim **85**, as unpatentable over Scroggie in view of Woolston. However, the Examiner has not provided any evidence (much less substantial evidence), either in the references or in the knowledge generally available to one of ordinary skill in the art, of a motivation to combine the references to produce any of the limitations of claim **85**.

The Examiner simply has not shown substantial evidence a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious. No *prima facie* case of obviousness can be made without such evidence. The rejection fails for at least this reason.

**3.4.8 No showing of a proper motivation to modify the references**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Scroggie and Woolston (which Appellants dispute above), the Examiner has failed to provide substantial evidence of a motivation to modify that combination to provide for the features (i) *a pseudo payment identifier*, (ii) *sending a pseudo*

*payment identifier to the buyer or (iii) receiving the pseudo payment identifier from the retailer.*

As noted above, the Examiner has not provided a rationale for combining the references in any manner that provides for all of the limitations present in the Claims **85**. For the reasons argued above, the evidence of record fails to provide a motivation to modify the references to provide for any of the features (i) – (iii) above. The Examiner does not assert otherwise.

Thus the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP IV obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP IV are patentable.

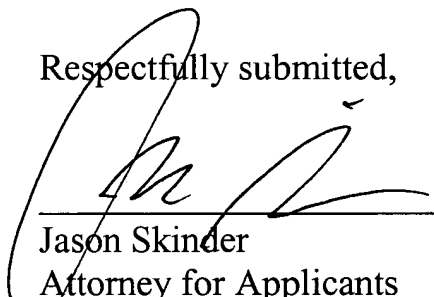
4. **CONCLUSION**

Thus, the Examiner's rejection of the pending claims is improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Jason Skinder using the information provided below.

November 15, 2004  
Date

Respectfully submitted,



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## APPENDIX A – CLAIMS

Claims 1 – 24, 26-91, and 95-102 are being appealed.

Claims 1, 62, 85, 87-91, 95, 101, 102 are independent.

1. A method of operating a purchasing system, comprising:
  - arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price;
  - wherein the retailer is not the seller;
  - receiving from the buyer a payment of an amount based on the first price; and
  - arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.
2. The method of claim 1, wherein the settlement price is based on the second price.
3. The method of claim 2, wherein the settlement price is equal to the second price.
4. The method of claim 2, wherein the settlement price is a percentage of the second price.

5. The method of claim 2, wherein the settlement price is more than the second price.
6. The method of claim 2, wherein the settlement price is further based on a commission amount.
7. The method of claim 1, wherein the settlement price is not solely a function of the second price.
8. The method of claim 1, wherein the settlement price is not based on the second price.
9. The method of claim 1, wherein said receiving payment from the buyer comprises charging a financial account associated with the buyer.
10. The method of claim 9, wherein the payment is received at a time based on when the purchasing system arranges for the buyer to purchase the product.
11. The method of claim 9, wherein the payment is received at a time based on when the buyer takes possession of the product at the retailer.
12. The method of claim 9, wherein said receiving payment comprises receiving payment of an amount based on the first price plus a penalty amount.

13. The method of claim 12, wherein the penalty amount is imposed when the buyer has not took possession of the product from the retailer within a predetermined period of time.

14. The method of claim 13, wherein the penalty amount is based on a cost associated with shipping the product to the buyer.

15. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises:

receiving a buyer offer, including a buyer-defined first price and information about the product, from the buyer; and  
determining if the buyer offer will be accepted.

16. The method of claim 15, wherein the information about the product includes at least one of: a product category; a product class; a product feature; a product manufacturer; and a product identifier.

17. The method of claim 15, wherein the buyer offer includes a payment identifier.

18. The method of claim 15, wherein said determining comprises at least one of: (i) sending information about the buyer offer to at least one seller; and (ii) locally determining if the buyer offer will be accepted.

19. The method of claim 1, wherein the first price is set by the seller.
20. The method of claim 1, wherein the first price is set by the buyer.
21. The method of claim 1, wherein the first price is set by the purchasing system.
22. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises evaluating at least one of: the first price; the settlement price; a seller price; a subsidy amount; a commission amount; and a minimum acceptable price.
23. The method of claim 22, wherein said evaluation further comprises evaluating a minimum profit amount.
24. The method of claim 23, wherein said evaluation comprises comparing the minimum profit amount to the first price less the settlement price.
26. The method of claim 23, wherein said evaluation comprises comparing the minimum profit amount to the first price and the subsidy amount less the settlement price.
27. The method of claim 23, wherein the minimum profit amount is a negative amount.



28. The method of claim 22, wherein said arranging for the buyer to take possession of the product comprises selecting at least one product from a plurality of possible products.

29. The method of claim 22, wherein said arranging for the buyer to take possession of the product comprises selecting at least one retailer from a plurality of possible retailers.

30. The method of claim 22, wherein said arranging for the buyer to take possession of the product comprises selecting a plurality of retailers.

31. The method of claim 22, wherein said evaluation comprises:  
comparing the first price with a minimum acceptable price; and  
comparing the minimum profit amount to the first price and the subsidy amount less the settlement price.

32. The method of claim 22, wherein said arranging for the buyer to purchase the product is only performed if (i) first price is at least equal to the minimum acceptable price; and (ii) the minimum profit amount is at least equal to the first price and the subsidy amount less the settlement price.

33. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises arranging for the seller to sell the product to the buyer at a seller price.

34. The method of claim 33, wherein said arranging for the seller to sell the product further comprises evaluating a minimum acceptable price below which a product will not be sold.

35. The method of claim 34, wherein the minimum acceptable price is set by the seller.

36. The method of claim 34, wherein the minimum acceptable price is set by the purchasing system.

37. The method of claim 33, wherein the first price is not equal to the seller price.

38. The method of claim 33, comprising exchanging payment of a seller amount with the seller, the seller amount being based on the first price and the settlement price.

39. The method of claim 1, wherein said arranging for the buyer to take possession of the product comprises sending redemption information to the buyer.

40. The method of claim 1, wherein said arranging for the buyer to take possession of the product comprises:

receiving from the retailer information related to an attempt to take possession of the product; and

sending to the retailer a verification authorizing the buyer to take possession of the product.

41. The method of claim 1, wherein said arranging for the retailer to receive payment of the settlement price comprises paying the settlement price to the retailer.

42. The method of claim 41, wherein said arranging for the buyer to take possession of the product comprises selecting a plurality of retailers and the settlement price is paid to the retailer at which the buyer took possession of the product.

43. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises arranging for a seller to sell the product to the buyer, and said arranging for the retailer to receive payment of the settlement price comprises arranging for the retailer to receive payment of the settlement price from the seller.

44. The method of claim 1, further comprising receiving payment of a subsidy amount from a subsidy provider.

45. The method of claim 44, wherein the subsidy provider comprises at least one of: a manufacturer of the product; a seller of the product; the retailer; and a third party subsidy provider.

46. The method of claim 44, wherein said arranging for the buyer to purchase the product comprises arranging for a product manufacturer to sell the product to the buyer at a seller price, and said receiving payment of a subsidy amount comprises adjusting a seller amount exchanged with the manufacturer.

47. The method of claim 44, wherein said arranging for the buyer to purchase the product comprises arranging for the retailer to sell the product to the buyer at a seller price, and said receiving payment of a subsidy amount comprises adjusting the settlement price paid to the retailer.

48. The method of claim 44, wherein the subsidy amount is variable and further includes a maximum subsidy amount.

49. The method of claim 44, wherein the subsidy amount is associated with a plurality of transactions performed by the purchasing system.

50. The method of claim 1, further comprising receiving payment of a commission amount from a commission provider.

51. The method of claim 50, wherein the commission provider comprises at least one of: a manufacturer of the product; a seller of the product; the retailer; and the buyer.

52. The method of claim 50, wherein the commission amount is based on at least one of: a predetermined amount; a percentage of the first price; a percentage of the settlement price; and a percentage of a seller price.

53. The method of claim 50, wherein said receiving payment of the commission amount comprises adjusting at least one of: the first price; the settlement price; and a seller amount exchanged with a seller.

54. The method of claim 1, wherein the settlement price is not equal to the second price.

55. The method of claim 1, wherein the first price is not equal to the second price.

56. The method of claim 1, wherein the first price is not equal to the settlement price.

57. The method of claim 1, further comprising subsidizing the purchase of the product.

58. The method of claim 57, wherein the purchasing system subsidizes the purchase of the product based on at least one of: subsidies provided to other buyers; past subsidies provided to the buyer; and a maximum purchasing system subsidy amount.

59. The method of claim 1, wherein the purchasing system arranges for a plurality of buyers to take possession of a plurality of products at the retailer.

60. The method of claim 59, wherein the purchasing system arranges for the retailer to receive a payment corresponding to each settlement price as each of the plurality of products is provided.

61. The method of claim 59, wherein the purchasing system arranges for the retailer to receive a payment corresponding to a plurality of settlement prices after the retailer has provided a plurality of products.

62. A method of operating a purchasing system, comprising:
- receiving, from a buyer through a communication network, information about a product to be purchased from a seller at a first price;
  - receiving payment based on the first price from the buyer;
  - arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;
  - sending to the retailer verification information enabling the retailer to authorize the buyer to take possession of the product; and
  - arranging for the retailer to receive payment of a settlement price in exchange for providing the product to the buyer.
63. The method of claim 62, wherein the received information comprises a buyer offer, the first price is a buyer-defined price, and the information about the product includes at least one of: a product category; a product class; a product feature; and a payment identifier.
64. The method of claim 63, further comprising determining if the buyer offer will be accepted.
65. The method of claim 64, wherein said determining comprises at least one of:
- (i) sending information about the buyer offer to at least one seller; and
  - (ii) locally determining if the buyer offer will be accepted.

66. The method of claim 1, wherein said arranging for a buyer to purchase a product comprises evaluating at least one of: the first price; the settlement price; a seller price; a subsidy amount; a commission amount; and a minimum acceptable price.

67. The method of claim 1, wherein said sending to the retailer verification information comprises:

- sending redemption information to the buyer;
- receiving from the retailer information related to an attempt to take possession of the product; and
- sending to the retailer a verification authorizing the buyer to take possession of the product.

68. The method of claim 67, wherein the redemption information and the information related to an attempt to take possession of the product comprise a redemption code.

69. The method of claim 68, wherein the redemption code is a pseudo payment identifier.

70. The method of claim 69, wherein the pseudo payment identifier is one of a pseudo: credit card number; debit card number; and banking account number.



71. The method of claim 69, wherein the pseudo payment identifier is uniquely associated with the purchase of the product by the buyer.

72. The method of claim 71, wherein said receiving from the retailer the pseudo payment identifier comprises receiving the identifier through a credit card processing system.

73. The method of claim 71, wherein the pseudo payment identifier is provided on a voucher, and the retailer sends the voucher to the purchasing system as a record of charge.

74. The method of claim 71, wherein said arranging for the buyer to take possession of the product at a retailer further comprises adjusting a spending limit associated with the pseudo payment identifier.

75. The method of claim 74, wherein said adjusting a spending limit comprises establishing a minimum spending amount and a maximum spending amount based on the settlement price.

76. The method of claim 75, wherein the information related to an attempt to take possession of the product comprises a purchase price and said sending a verification is only performed if the purchase price is more than the minimum spending amount and less than the maximum spending amount.

77. The method of claim 74, wherein said adjusting comprises adjusting the spending limit based on one of: the second price; the settlement price; and the first price.

78. The method of claim 77, wherein said adjusting is further based on one of: a penalty amount; and a tax amount.

79. The method of claim 74, wherein said adjusting is based on one of (i) an average; and (ii) the highest of a plurality of settlement prices or retail prices associated with the product.

80. The method of claim 74, wherein the spending limit is re-adjusted when the buyer takes possession of the product at the retailer.

81. The method of claim 67, wherein the information received from the retailer comprises:

a sixteen digit pseudo credit card number, including four digits associated with the purchasing system and twelve digits associated with the buyer's purchase of the product; and  
an expiration date.

82. The method of claim 67, wherein said receiving payment of the buyer price from the buyer is only performed after said sending of the verification to the retailer.

83. The method of claim 67, further comprising:

receiving, after the verification is sent to the retailer, payment of a subsidy amount from a subsidy provider.

84. The method of claim 62, further comprising:

receiving a subsidy amount from a subsidy provider, wherein the subsidy amount is at least equal to the difference between the first price and the settlement price.

85. A method of operating a purchasing system, comprising:

- receiving, from a buyer through a communication network, a buyer offer, including information about a product to be purchased, a first price and a payment identifier;

- determining if the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price;

- receiving from the buyer payment of the first price using the payment identifier;

- sending a pseudo payment identifier to the buyer;

- receiving the pseudo payment identifier from the retailer;

- sending to the retailer a verification authorizing the buyer to take possession of the product; and

- arranging for the retailer to receive payment of the settlement price.

86. The method of claim 85, further comprising:

- adjusting a spending limit associated with the pseudo payment identifier when the pseudo payment identifier is sent to the buyer; and

- re-adjusting the spending limit when the buyer takes possession of the product at the retailer.

87. A purchasing system device, comprising:

a processor; and

a storage device coupled to said processor and storing instructions adapted to be executed by said processor to:

arrange through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

receive from the buyer a payment of an amount based on the first price; and

arrange for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

88. A purchasing system apparatus, comprising:

means for arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

means for receiving from the buyer a payment of an amount based on the first price; and

means for arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

89. A medium storing instructions adapted to be executed by a processor to perform a method for operating a purchasing system, said method comprising:

- arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

- receiving from the buyer a payment of an amount based on the first price; and

- arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

90. A method of using a purchasing system, comprising:

- arranging with the purchasing system, through a communication network, to purchase a product from a seller at a first price;

- paying an amount based on the first price to the purchasing system;

- receiving redemption information from the purchasing system;

- providing the redemption information to a retailer that offers the product for sale at a second price; and

- taking possession of the product at the retailer.

91. A method of providing products to buyers using a purchasing system, comprising:

- arranging to provide a product in exchange for a settlement price;
- receiving redemption information from a buyer;
- sending the redemption information to the purchasing system;
- receiving from the purchasing system a verification authorizing the buyer to take possession of the product;
- providing the product to the buyer; and
- receiving payment of the settlement price.

95. A method of operating a purchasing system, comprising:

- arranging through a communication network for a buyer to render payment equal to a first price, through the communication network, to a seller for a product, the product being offered for sale by the seller for the first price;

- arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price; and

- arranging for the retailer to receive payment of a settlement price in exchange for providing the product to the buyer.

96. The method of claim 95, wherein the settlement price is the first price when the seller is the retailer.

97. The method of claim 95, further comprising:

- determining if the seller is the retailer.

98. The method of claim 97, wherein the seller is a party other than the retailer and the settlement price is based on the second price.

99. The method of claim 97, wherein the seller is the retailer and the settlement price is based on the first price.

100. The method of claim 97, wherein the seller is the retailer and the settlement price is based on the second price.

101. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;

arranging for the buyer to provide to the retailer a payment of an amount based on the first price; and

arranging for the retailer to receive payment of an amount based on a difference between the first price and a settlement price in exchange for providing the product to the buyer.



102. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;

determining if the second price is less than the first price; and

if the second price is less than the first price, arranging for the buyer to purchase the product from the seller at no more than the second price.

**APPENDIX B – EVIDENCE**

<NONE>

**APPENDIX C – RELATED PROCEEDINGS**

<NONE>

**CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10)**

Applicant(s): JAY S. WALKER et al.

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Customer No.

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Group Art Unit

3625

SETTLEMENT SYSTEMS AND METHODS WHEREIN A BUYER TAKES POSSESSION AT A RETAILER  
OF A PRODUCT PURCHASED USING A COMMUNICATION NETWORK

I hereby certify that the following correspondence:

APPEAL BRIEF

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